

**REPORT OF COMMITTEE ON ADVERTISING**

Your Committee beg to report that the advertising of the Journal is in a very satisfactory condition, and would have been materially increased except for the abnormal conditions existing. We have lost some advertisers, but on the other hand have gained many new ones.

There is no journal of its class published by any State Society with advertising rates as low as ours, in consequence of which we have increased our rates materially and which have been accepted by advertisers.

We have employed an outside solicitor, who has rendered good service.

Your Committee would urgently ask the co-operation of the members of the Society, which if given will substantially further the interests of the Journal.

**REPORT OF COMMITTEE ON INDUSTRIAL ACCIDENT INSURANCE.**

Your Committee after another year's consideration begs to report as follows:

The three subjects which this Committee was asked to consider were the possible increase in fee schedule, the free choice of physicians by the injured, and the medical ethics involved in Industrial Accident Work.

Your Committee believes that the present minimum fee schedule as usually interpreted is not satisfactory to skilled surgeons, the class of men desired by the Commission, especially as usually interpreted by the Medical Director of the Fund and the adjusters of the Insurance Companies.

We wish again to call your attention to the fact that members have two resources for adjustment of bills which are in controversy, with the Insurance Companies; first with the Adjustment Committee of the California State Medical Society, and second, through the Medical Director of the State Fund; the Commission being the final court of appeal in all such matters.

The second matter which we were asked to investigate, was relative to the choice of physicians. This has not improved at all during the past year; in fact it is in worse condition than during last year. The Insurance Companies and the Fund have both broken every agreement pertaining to this matter, which was made originally with this Society. The Insurance Companies are now employing men on salaries or some such arrangement, to do their work throughout the State. The Fund is appointing a few men to do its work. The law which permits an employee to demand a change of physicians from his employer, by which the latter will nominate at least three additional physicians for the particular case, allowing him to select from them, has, so far as your Committee knows, been resorted to but very seldom.

Third, the matter of medical ethics; your Committee is informed and believes that a considerable part of the profession has disregarded the recognized deep-rooted antagonism which exists against contract work. As above stated, many of our members are taking this work either on a straight salary, which is below fee schedule, or they are receiving special fees below schedule. Your Committee discountenances the practices of these physicians, and the action of the several Insurance Companies, and feels that it cannot do better than to reiterate the full resolutions which were presented last year by the Reference Committee on this subject and adopted by the Society, and are now a matter of record.

We wish also in face of the above facts relative to the abuses which are entering into this work to offer our earnest protest against the present impending bill on Social Health Insurance.

**Dr. Lambert Changes Front.**

As showing the change in attitude as to health insurance we wish to refer to a letter written by Dr. Alexander Lambert, Chairman of the Social Insurance Committee of the American Medical Association, as follows:

The whole situation is this: You have an insurance company that is trying to go in as a middleman between the patient and the doctor. All previous experience shows that when once firmly established, so that it can control the practice among the patients by giving them lower rates for medical service, the middleman in the end can dictate terms to the doctors and bid them down to absolutely inadequate remuneration for what they do. At first it looks very tempting to be assured of good, big fees for possible operations, which by their very nature, relatively seldom occur and which are only done by few surgeons, but the main work is among the patients with the small fees. Of course, when many are seen and one gets 100 per cent. collections, as would be done by the company paying it, it increases the income to the doctor because of the proverbial lack of collections that ordinarily physicians make.

I think there is one pernicious factor in this scheme, and that is that the patients pay a carrying fee of \$1.60 and 40 cents, and yet the same service is given for the varying amount of returns. That, I think, you will find to be a vicious system. There is no question as to the possible value of this scheme. There is no question that the doctor getting 50 per cent. and the insurance company taking 50 per cent. for expenses and profit, makes a mighty good thing out of it, especially since it takes only very selected groups of lives. It takes the healthiest group of people in the community and offers them medical treatment. It practically becomes a variation of lodge practice among selected lives and under capitation system. It has all the possibilities of the evils under this system. If there are a great many patients under one doctor's care, and a good deal of sickness, even in these selected lives, the doctor must give a hurried service and an inadequate service, even for these small fees. It comes right down to the evils for which lodge practice is held in contempt—that of inadequate remuneration for poor medical service.

As far as the health insurance scheme is concerned, it is perfectly inadequate. You cannot choose the healthiest lives in a community and give them selected service on small pay and think you are doing anything for the community in the way of health insurance. Because a health insurance scheme must take in all lives, good and bad, the very sick as well as the very healthy, and must give good service to all. This scheme which you have sent me successfully avoids any medical service except to the unusually healthy.

There is the danger in all these schemes of debauching a community in its ideas of medical service when done on a commercial basis such as this. It gives the idea to people that they can get medical service for almost nothing, and in the end it comes down to the doctor under lay control that deliberately makes the physicians bid against each other and produces all the evils of capitation system or lodge practice. It is the beginning of the condition against which the physicians in England fought so bitterly and complained of so bitterly just before their insurance act was enacted. The insurance companies make anywhere from 17 per cent. to 35 per cent. out of what they collect, and any middleman will gladly undertake the job to sit still and do that, letting the doctor do the work.

Yours sincerely,

ALEXANDER LAMBERT.

Committee on Social or Health Insurance of the Chicago Medical Society: Edward H. Ochsner, C.